



# COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

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**MARK J. SALADINO**  
TREASURER AND TAX COLLECTOR

March 19, 2003

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO AUTHORIZE THE ACQUISITION OF A HIGH-SPEED  
MAIL SORTER WITH FAST FORWARD SYSTEM FOR  
THE TREASURER AND TAX COLLECTOR DEPARTMENT  
(ALL DISTRICTS - 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve the Treasurer and Tax Collector Department's request and authorize the Purchasing Agent to proceed with the solicitation and acquisition of a Mail Sorter with the Fast Forward feature at a cost of approximately \$420,000.

**PURPOSE OF RECOMMENDED ACTION/JUSTIFICATION**

The purchase will replace the existing high speed mail sorter equipment that is over 10 years old and beyond its original useful life. As a result, the Department has been notified by the United States Postal Services (USPS) that the current sorter equipment (camera and optical character reader (OCR)) cannot be re-certified, which will result in significantly higher postage rates for the County if the machine is not replaced.

The mail sorter equipment enables significant postage discounts through barcoding and sorting of U.S. mail. The Fast Forward feature provides for automated address changes, which are on file with the USPS. Based upon the Department's in house current workload of nearly 4 million pieces of mail per year, it is estimated that continued utilization of this equipment will generate at least \$265,000 in postage savings on an annual basis at the current postage rates.

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This purchase exceeds the \$250,000 fixed asset threshold established by your Board, and requires your approval to move forward with the solicitation and acquisition process.

### **Implementation of Strategic Plan Goals**

This purchase supports the County's Strategic Goal #3, which ensures that service delivery systems are efficient, effective, and goal oriented.

The replacement of the current sorter equipment will enable the Treasurer and Tax Collector to process various tax documents in accordance with Sections 2610.5 and 2910.1 of the California Revenue and Taxation Code in a more efficient and cost-effective manner. Additionally, the Department will continue to process outgoing mail for Business Licenses, Agricultural Commissioner/Weights and Measures, Department of Public Works, Department of Mental Health (Public Guardian), Probation, Child Support Services, Public Health, and Fire Department.

### **FISCAL IMPACT/FINANCING**

The Department has sufficient appropriation in the current 2002-03 Fiscal Year to purchase the sorter equipment. The Department has evaluated the option of lease to purchase over a five-year period versus a straight purchase. Based upon the expected life cycle of the new equipment and various vendor proposals, it was determined to be more cost-effective to pursue the purchase of the equipment. The ongoing maintenance cost will be funded out of the Department's existing budget similar to the current sorter maintenance cost.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The Department is required to generate and mail the annual and supplemental tax bills, including those for secured and unsecured properties in accordance with Sections 2610.5 and 2910.1 of the California Revenue and Taxation Code. In addition, the mailing of courtesy and delinquency notices, as well as Notices of Enforcement and Notices of Lien, are also mailed in high volumes on an annual basis.

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In accordance with individual Memoranda of Understanding (MOU's) with other County departments, the Department also processes outgoing mail for Business Licenses, Agricultural Commissioner/Weights and Measures, Department of Public Works, Department of Mental Health (Public Guardian), Probation, Child Support Services, Public Health, and Fire Department.

Additionally, the Department will continue to maintain Board approved contracts with two private vendors to process the 2.5 million annual property tax bills, which are mailed within a 30-day period and exceed our current capacity to process in house.

### **CONTRACTING PROCESS**

This is a fixed asset purchase under the statutory authority of the County Purchasing Agent. The purchase will be requisitioned through and accomplished by the Purchasing Agent in accordance with the County's Purchasing policies and procedures established by the Internal Services Department.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The new sorter equipment will provide the Department with the ability to meet United States Postal Services requirements and the ability to respond and process mail on short notice and/or for emergency situations, as necessary, in an efficient and cost-effective manner that will save the County at least \$265,000 in postage annually.

In addition, the Department will continue to assist the Assessor and other departments located in the Civic Center on an as-needed basis in meeting their mail activities.

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## **CONCLUSION**

Upon approval by your Board, the Executive Officer is requested to return adopted copies of this letter to:

1. Los Angeles County Treasurer and Tax Collector Department  
500 West Temple Street, Room 440  
Los Angeles, CA 90012  
Attention: Henry Román, Administrative Deputy
2. Internal Services Department  
Purchasing Division  
1100 N. Eastern Avenue, Room 102  
Los Angeles, CA 90063  
Attention: Joe Sandoval, Division Manager

Respectfully submitted,



MARK J. SALADINO  
Treasurer and Tax Collector

MJS:HR:ng

WORD:NG(X)/BOARDLTR:MAIL SORTER

- c: Chief Administrative Officer  
County Counsel  
Internal Services Department